The Glocalization of Mobile Messenger: 
The Emergent Strategy of NHN Line in Japan, Spain and Indonesia

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Abstract

Recent years witnessed the general usages of smart mobile devices together with the globalization of mobile messenger market. The important of glocalization is emphasized for the critical factor for the overseas markets. This study reviewed cases Line in the markets of Japan, Spain and Indonesia and analyzed the globalization efforts and the degree of localization by comparing to the main competitors. The results show that emergent approach and balancing between globalization and localization made Line successful in overseas markets. Findings of this study enable mobile-based firms to establish glocalization strategy by providing the implication related to the importance of appropriate localization and in time response to dynamic and differentiated requirements of each country.

Key Words: Mobile messenger, Line, Emergent Strategy, Glocalization

1. Introduction

The emergence of the mobile messenger has enabled to establish and implement standardization policies based on massive number of users in new integrated platforms and global market. At the same time, the importance of localization strategies reflecting languages, religions, lifestyle and values in each country has been emerged due to entering the global market [1].

The NHN Line covered by the study is the messenger independently developed by Naver Japan after failing in the Korean market despite the first emergence as the Naver Talk. Line was planned in favor of foreign users and welcomed by local users in Asian countries like Japan, Thailand and Taiwan from the initial debut. The SNS which supported lax relations among users like Facebook or Twitter was good to be standardized but the relation-oriented services among close communities like the messenger was judged proper to focus the localization, implementing distinct strategies for each country and achieving success in the Asian market.

The purpose of this paper is to analyze glocalization cases as a foundation for the success of Line and competitive edge against the background of features in the global mobile messenger market and propose strategic directions to sharpen the edge for successful global market entry for local companies in the future. In particular, the study applied the strategic
model of Mintzberg from the theoretical viewpoint and intensively analyzed the Indonesian mobile messenger market on the practical basis for Korean IT companies seeking to enter the global market in the future.

2. Literature Review

The importance of standardized globalization strategies has been focused on the basis of the global market and industries since 1970s [2][3]. However, there exist differences in each market despite the increase in the homogeneity among countries [1] and the balance between the globalization and the localization has been proposed as a key factor in achieving the success in the global market [4][5][6].

Tixier (2005) stated that the revenue of a company which was completely adapted to the consistent brand image through the localization in a foreign country with different language was doubled compared to another company with no localization [7]. The study on the globalization of the game and software industries closes to the mobile messenger covered by the paper proposed decision factors in the localization through localization researches considering cultural differences [8].

![Fig. 1. Localization Factors](image_url)

Also, it may be said that the localization strategy is closely related to the emergent strategy of Mintzberg in that the localization plan is largely affected by local environment or external factor rather than the internal factor from the company [9][15]. Generally a company implements wrong strategies if it may not decide to establish or implement a strategy due to insufficient experience in the case of entering a new market [10]. It is the emergent strategy which recommends implementing many small and feasible strategies until a clear strategy for a company is established.

The emergent strategy is contrary to the intended strategy and Marriott Hotel case which...
implemented in-flight catering business not intended in the initial phase is one of representing cases [15]. The intended initial strategy of the hotel was to provide 8 restaurant services but it expanded the project from selling a small amount of in-flight lunchboxes after detecting the customer demand for flight passengers to the business for more than 100 commercial airliners. That is, the company implemented better strategies in the process of aggressively responding environmental changes regardless of the intended strategy.

It may be stated that the Line case is described as a strategic model mentioned above in that the service achieved the gradual localization without the clear entrance and localization strategies at the initial stage.

![Mintzberg’s Theory of Emergent Strategy](image)

**Fig. 2. Mintzberg’s Theory of Emergent Strategy**

### 3. Research Methodology

The study investigated cases in Japan, Spain and Indonesia through the secondary data collection to help understand the growth and localization strategies of Line and introduced the case from the viewpoint of the Mintzberg strategy [9][15]. In addition, the study performed the survey to analyze the localization level in the Indonesian market with fierce competition among major messenger services and analyzed the localization level for each decision factor in the localization to major messenger services through the survey beyond the introduction of quantitative localization cases.

A total of 262 messenger users (93 for Line, 87 for Kakao Talk and 82 for WeChat) joined the survey and the survey measured the recognition on the localization for each factor based on the 5-point scale. The study measured the feedback on the letter, language, emoticon, nuance, help and question in the linguistic aspect and the user recognition on the proper response to the local culture like the food, tradition and trend in the cultural aspect for the internal conditions of the localization. The compatibility was measured by whether the service worked on multiple number of devices for sale. As an external factor in the localization, operation services were measured by the efforts in the service improvement through the update, use of local languages and nationality as the local marketing factor. The study
selected Kakao Talk and WeChat for the comparison. These companies entered the Indonesian market in the similar period and WhatsApp was excluded from the study to rule out the preemption effect.

4. Glocalization of NHN Line

The number of smartphone shipments in 2013 increased by 40% to 1.03 billion compared to 2012 and the portion of smartphone sales among mobile phones was expanded to 56% [16]. The expansion of smartphone sales and user grounds generalized the mobile messenger, as well as the mobile market growth. 'Facebook messenger' and 'WhatsApp' show their strength in Europe and Americas as shown in [Table 1]. In particular, local messengers like WeChat of China, Line of Japan and South East Asia and Kakao Talk of Korea are dominant in the Asian region with rapid growth of the mobile market.

Table 1. Usage of Mobile Messenger by Country(%)  

<table>
<thead>
<tr>
<th></th>
<th>US</th>
<th>Brazil</th>
<th>UK</th>
<th>Japan</th>
<th>China</th>
<th>Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook Messenger</td>
<td>12</td>
<td>32</td>
<td>15</td>
<td>18</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>WhatsApp</td>
<td>9</td>
<td>90</td>
<td>49</td>
<td>8</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>Line</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>71</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>WeChat</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>6</td>
<td>82</td>
<td>-</td>
</tr>
<tr>
<td>Kakao Talk</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>2</td>
<td>95</td>
</tr>
</tbody>
</table>


4.1 Japan

NHN built Line Co., Ltd. in Japan to strengthen its global business and currently Line has secured more than 100 million users in 230 countries mainly focused on Japan and South East Asia in 19 months after the establishment [17][18]. It was known that the reason for success of Line was to increase the recognition on the occasion that the service was used for smooth communication in communication difficulties due to the earthquake in 2011 and implement the proper localization [11].

It was the case of the service development reflecting the local culture in Japan where people were unwilling to open their phone numbers by providing the function to add a friend with no number and the service was operated on the feature phone considering that feature phone users accounted for 52% among mobile phone users [17]. Then the service received successful response owning to developing emoticons, characters and products in favor of local users. In addition, Line provided linguistic contents like letters and voice, supported
natural nuance and description and carefully considered keyboard arrays for each mobile device to implement technical differentiation and localization in the aspect of the linguistic localization or core part of the service localization.

4.2 Spain
Line had failed to achieve outstanding performance after entering the Spanish market but secured more than 10 million subscribers as of 2013 by quickly responding changes in the external environment like the paid service of WhatsApp. WhatsApp and Line are the only messengers with more than 10 million subscribers in Spain [17].

Line developed and released localized stickers through the promotion titled 'Happy Life Messenger' for the marketing localization and freely provided various tie-up services like the camera and games [18]. It is meaningful that the success in Spain was not just one in a single country. It is because the service would be the case for establishing and applying strategies in 20 countries in 3 continents using Spanish and other European countries in the future.

4.3 Indonesia
The South East Asian region has intensively implemented the emergent strategy. The area holds more than 600 million people in more than 10 countries and shows high growth in the Internet use and portion of Internet users younger than 35 years old. The importance, as well as difficulties in the localization have been emphasized due to clear differences in culture among and in the countries even though the region is focused as a key area in the future trend due to the fierce competition among major mobile messengers.

Indonesia holds complicated technical environment with the commercialization from the 2G (GSM, CDMA) to 3.5G (HSDPA), geographic features with wide area and islands and its incomplete communication quality shifts the network to 2G outside a city and frequently fails to deliver messages even in the 3G environment. Against this backdrop, Line introduced the automatic message retransmission technology and overcame the poor network issue by repeating the message transmission until it succeeded. It is the case of the localization for the site condition not required in Japan and Korea.

In addition, the company additionally developed the Line App for the Blackberry OS considering that the number of Blackberry users was massively high in Indonesia and started the Blackberry service for the whole world from 2012 based on such experience [17][19]. And it has implemented localization strategies by reflecting cultural elements on the service like designing and releasing Ramadan stickers. Line employed Maudy Ayunda, Indonesian movie star and singer for TV ads focusing on the youth and emphasized its distinct service by
repeatedly placing the brand name Line with the ambiguous meaning of Lain meaning different in the CM song of Galaxy Chat in the marketing case. The next chapter assessed high level of the localization through the survey compared to other companies.

5. Comparative Analysis on Glocalization

Indonesia holds 140 million mobile communication subscribers and 11 brands of 9 carriers have shown fierce competitions [19]. Major messenger companies like Facebook, WhatsApp, WeChat, Line and Kakao Talk have provided competing services in the Indonesian market and the market may be considered valuable in the study in that there is no monopolistic player. Line ranked No. 1, followed by WhatsApp, Kakao Talk and WeChat in the aspect of download as of 2013. This chapter compares and analyzes the glocalization level of Line against major competitors in accordance with the decision factors suggested in the literature review.

5.1 Internal factor analysis: Language, compatibility, culture

The study checked whether basic conditions in the localization like the letter in the messenger, nuance of the language, natural nuance of the help message and feedback were completely supported with the local language. The result shows that Line ranked the top, followed by Kakao Talk and WeChat in the aspect of the localization level of the natural nuance (Refer to [Table 2]).

The compatibility is the assessment criterion whether the approach to the messenger is possible from various device operating systems. The survey on the compatibility between 4 operating systems including the Android, iOS, Blackberry and Windows currently used in Indonesia showed that all the messenger applications were in all the app markets. The survey shows that Line indicated higher localization level than other companies in the aspect of reflecting cultural elements (food, tradition, trend, etc., refer to [Table 2]).

<table>
<thead>
<tr>
<th>Table 2. Degree of Localization by Main Competitors in Indonesia</th>
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<tbody>
<tr>
<td><strong>Factors</strong></td>
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<tr>
<td>Internal</td>
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<td>Language</td>
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<td>Internal Compatibility</td>
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<td>External</td>
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<td>Operating Service</td>
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<td>External Local Marketing</td>
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<td>Language</td>
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5.2 External factor analysis: Operation service, local marketing

The mobile messenger is characterized by rapid operation services like the update and version management and request reflection from the release to the service termination. Rapid and consistent services based on the feedback are directly related to the app reliability and sales revenue [8]. The study selected the number of updates as a benchmark for measuring the operation service level in the messenger service. It is because that the update solves problems and consistently reflects service quality and local features, being recognized as a core factor in implementing the emergent strategy. Line has provided a total of 51 updates since its initiation in Indonesia as of 2013. Meanwhile, Kakao Talk and WeChat have provided 80 and 37 updates, respectively.

The messenger service features the service provision to the global market because the ground for the user is a key factor in the success like the online game [12]. This requires the economy of scale beyond a local market and the service quickly becomes obsolete [13]. Therefore, delicate marketing considering localization features and local trend developed with the cultural trend of the local country is required in the aspect of contents including the language and emoticon [14].

The study checked the appearance of local models and implementation of the local language in the marketing to measure the marketing localization level. The result shows that Line introduced local models and language but Kakao Talk employed local and Korean models for the Hallyu (Korean wave) and English for the marketing language. WeChat used the local language but did not employ local models in the advertisement.

In short, it may be stated that Line reached higher localization level than other messenger services for all the three internal factors and external factors in the localization except the update as indicated in [Table 2].

6. Conclusion and suggestion

Mobile messenger companies have accelerated their efforts in sharpening the competitive edge and securing the economy of scale through the globalization in line with increasing application and content application like the mobile messenger, as well as the smart device expansion. The study reviewed the globalization and localization process of NHN Line from the viewpoint of the emergent strategy, compared, measured and analyzed the localization level of the service in the Indonesian market.

It was found out that Line introduced the emergent strategy which adapted to environmental
changes and reacted at the proper timing in Japan, Europe and South East Asia in the aspect of both the requirement for developing standardized killer apps focusing on management resources and localization request reflecting features from local users. In particular, the development of locally adapted technologies considering technical limit and infrastructure in Indonesia was the representing case of the emergent strategy.

The measurement of internal and external localization factors showed that high level of the localization appeared in the letter, voice, nuance, contents and feedback in the aspect of using natural local language. Also, the cultural adaptation reflecting the compatibility, food, tradition and trend showed high level of localization. It was confirmed that the marketing area reached high level of the localization in the external factor indicating the relation with users.

The study intensively analyzed the important in the localization strategy which quickly and properly respond local requests as a key factor in the global success through the localization case of Line. In particular, the study introduced the Mintzberg model on the theoretical basis for the analysis and performed the survey on the user recognition on the current situation of Indonesia, a fierce competition ground among mobile messengers in South East Asia and is meaningful in that it provided suggestions on strategic business through the localization for mobile platform-based companies which attempted entering the global market in the future.

The study applied the localization benchmark for the online game to measure the localization level of the mobile messenger. It considered similarities in the age group and features of users but the limit in the study was that it failed fully reflecting unique features of the mobile messenger. Therefore, it is required to develop indicators which properly reflect industrial features based on the study in the future. Additionally, continuous reviews and empirical studies are required to investigate the competing status of mobile messenger services and the relation between the globalization and localization for each company.

References


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